GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

STARRED QUESTION NO:19
ANSWERED ON:02.02.2017
Losses in Modernised NTC Mills
Chavan Shri Harishchandra Deoram

Will the Minister of TEXTILES be pleased to state:

(a) whether the mills under the National Textile Corporation (NTC) which were modernized recently are incurring losses;

(b) if so, the details thereof indicating their losses and the reasons for the said loss, mill-wise; and

(c) whether steps are being taken to make these modernized NTC mills profitable and if so, the details thereof?

Answer

MINISTER OF TEXTILES
(SMT. SMRITI ZUBIN IRANI)

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE LOK SABHA STARRED QUESTION NO.*19 TO BE ANSWERED ON 02.02.2017.

(a) & (b): National Textile Corporation (NTC) has 23 operational Mills, out of which, 8 mills have been modernised, 13 mills have been partially modernised and 2 mills are not yet modernised. Mill wise Profit/loss position for the years 2014-15, 2015-16, & April-September, 2016 is given at Annexure.

The reasons for the losses mainly in the mills yet to be modernized are attributable to factors such as (i) Incomplete modernization; (ii) Higher power costs due to purchase from various electricity boards vis.-a-vis. private purchase; (iii) Higher man/machine ratio resulting in higher labour cost; and (iv) Sub-optimal quality of Yarn resulting in lower sale rate.

(c): The efforts made to make the modernized mills profitable include the following:-

I. Improving technology by way of induction of strategic new machines like Blow Room, Cards, Auto-coner and Ring Frames, etc., in different mills;

II. Increasing sale realization by way of value addition to product like production of Slub Yarn, Compact Yarn, MÃ©lange, Lycra, Sewing thread Yarn and increasing Combed Yarn/Double Yarn production;

III. Keeping a watch on quality parameters by adding testing equipment like Uster, Advanced Fiber Information System etc.; and

IV. Adopting Energy Conservation measures in modernized mills such as use of Energy efficient LED lights, invertors, Solar Plants installation, etc.